

*2Q Ending March 31, 2018*

# *Results Briefing*

The objective of the document is to provide information on the results of the 2nd quarter fiscal year ending March 31, 2018 and not to offer investments in securities issued by Okasan Securities Group Inc. The document has been prepared based on data as of the end of September 2017. Okasan Securities Group Inc.

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The opinions and forecasts included in the document are based on our judgments at the time of writing.

We make no guarantees regarding the accuracy or completeness of the information, which is subject to change without notice.

October 27, 2017

**OKASAN SECURITIES GROUP INC.**



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# 1 *Business Results Overviews (Consolidated)*

## Financial Summary

	Operating revenues	Net operating revenues	Operating income	Ordinary income
	million yen	million yen	million yen	million yen
FY18.3 2Q	39,312 ( - 1.9%)	38,739 ( - 1.9%)	4,464 ( - 20.5%)	4,835 ( - 22.8%)
FY17.3 2Q	38,565 ( - 13.6%)	38,011 ( - 13.5%)	5,617 ( - 43.8%)	6,266 ( - 43.7%)

	Profit attributable to owners of parent	Net income per share	R O E (annualized)	Comprehensive income
	million yen	yen		million yen
FY18.3 2Q	1,356 ( - 71.7%)	6.85	1.7%	2,696 ( - 22.5%)
FY17.3 2Q	4,788 ( - 24.0%)	24.14	6.6%	3,477 ( - 44.4%)

	Total assets	Net assets	Equity ratio
	million yen	million yen	
FY18.3 2Q	617,244	176,137	24.9%
FY17.3	552,844	178,256	28.4%

# Financial highlights of the 2nd quarter fiscal year ending March 2018

(In millions of yen)

	FY17.3	FY18.3	vs.FY17.3
	2QTOTAL	2QTOTAL	2QTOTAL
<b>Operating revenues</b>	<b>38,565</b>	<b>39,312</b>	<b>1.9%</b>
Commissions	21,959	24,859	13.2%
Net gain on trading	15,494	13,167	-15.0%
Interest and dividend income	720	871	20.9%
Service fee and other revenues	391	414	5.7%
Interest expenses	554	572	3.2%
Net operating revenues	38,011	38,739	1.9%
<b>SG&amp;A</b>	<b>32,393</b>	<b>34,274</b>	<b>5.8%</b>
Operating income	5,617	4,464	-20.5%
Non-operating income	737	651	-11.6%
Non-operating expenses	87	280	220.7%
<b>Ordinary income</b>	<b>6,266</b>	<b>4,835</b>	<b>-22.8%</b>
Extraordinary gain	1,624	3,343	105.8%
Extraordinary loss	174	4,864	-
Net profit, before taxes	7,716	3,314	-57.0%
Income taxes	2,246	2,310	2.8%
Adjustment amount for income taxes	-72	-924	-
Net profit	5,542	1,928	-65.2%
Profit attributable to non-controlling interests	754	572	-24.1%
<b>Profit attributable to owners of parent</b>	<b>4,788</b>	<b>1,356</b>	<b>-71.7%</b>

(In millions of yen)

	FY17.3				FY18.3			vs.FY18.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	
<b>Operating revenues</b>	<b>19,242</b>	<b>19,323</b>	<b>21,715</b>	<b>20,359</b>	<b>19,577</b>	<b>19,734</b>	<b>0.8%</b>	
Commissions	11,630	10,328	12,670	12,443	12,027	12,831	6.7%	
Net gain on trading	7,037	8,456	8,480	7,297	6,919	6,248	-9.7%	
Interest and dividend income	379	340	368	404	434	436	0.5%	
Service fee and other revenues	194	197	196	214	196	217	10.7%	
Interest expenses	267	287	296	327	283	289	2.1%	
Net operating revenues	18,975	19,035	21,418	20,032	19,294	19,444	0.8%	
<b>SG&amp;A</b>	<b>16,257</b>	<b>16,136</b>	<b>16,366</b>	<b>16,545</b>	<b>17,040</b>	<b>17,233</b>	<b>1.1%</b>	
Operating income	2,718	2,898	5,052	3,486	2,253	2,210	-1.9%	
Non-operating income	276	461	120	576	196	454	131.6%	
Non-operating expenses	64	23	34	42	39	241	517.9%	
<b>Ordinary income</b>	<b>2,930</b>	<b>3,336</b>	<b>5,138</b>	<b>4,020</b>	<b>2,411</b>	<b>2,424</b>	<b>0.5%</b>	
Extraordinary gain	1,609	15	26	756	213	3,129	-	
Extraordinary loss	55	119	119	332	41	4,823	-	
Net profit, before taxes	4,484	3,232	5,045	4,444	2,584	730	-71.7%	
Income taxes	733	1,513	1,339	1,910	346	1,964	467.6%	
Adjustment amount for income taxes	361	-433	300	-429	635	-1,559	-	
Net profit	3,389	2,152	3,405	2,963	1,602	325	-79.7%	
Profit attributable to non-controlling interests	511	242	203	467	271	301	11.1%	
<b>Profit attributable to owners of parent</b>	<b>2,877</b>	<b>1,910</b>	<b>3,201</b>	<b>2,496</b>	<b>1,331</b>	<b>24</b>	<b>-98.2%</b>	

## <Highlights>

- Operating revenues rose 1.9% year on year (YoY) to 39,312 million yen. Net trading income fell 15.0% YoY, while fees and commissions rose 13.2% YoY.
- Ordinary income decreased 22.8% YoY to 4,835 million yen.
- Extraordinary gains totaled 3,343 million yen due to gains on sale of investment securities and other factors, while extraordinary losses totaled 4,864 million yen due to factors that included the recording of impairment loss. Profit attributable to owners of parent decreased 71.7% YoY to 1,356 million yen.

# Operating Revenues

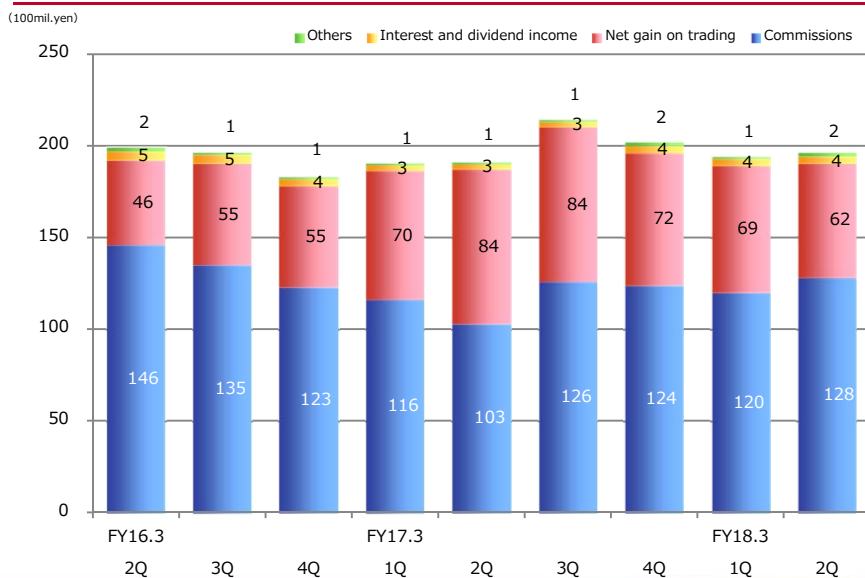
(In millions of yen)

	FY17.3	FY18.3	vs.FY17.3
	2QTOTAL	2QTOTAL	2QTOTAL
<b>Commissions</b>	21,959	<b>24,859</b>	<b>13.2%</b>
Brokerage	7,729	<b>8,766</b>	<b>13.4%</b>
Underwriting	158	<b>397</b>	<b>150.6%</b>
Distribution	5,451	<b>7,216</b>	<b>32.4%</b>
Others	8,619	<b>8,479</b>	<b>-1.6%</b>
<b>Net gain on trading</b>	15,494	<b>13,167</b>	<b>-15.0%</b>
Equities	9,308	<b>8,739</b>	<b>-6.1%</b>
Bonds	5,915	<b>4,619</b>	<b>-21.9%</b>
Others	270	<b>-191</b>	<b>-</b>
<b>Interest and dividend income</b>	720	<b>871</b>	<b>20.9%</b>
<b>Others</b>	391	<b>414</b>	<b>5.7%</b>
<b>Operating revenues</b>	38,565	<b>39,312</b>	<b>1.9%</b>

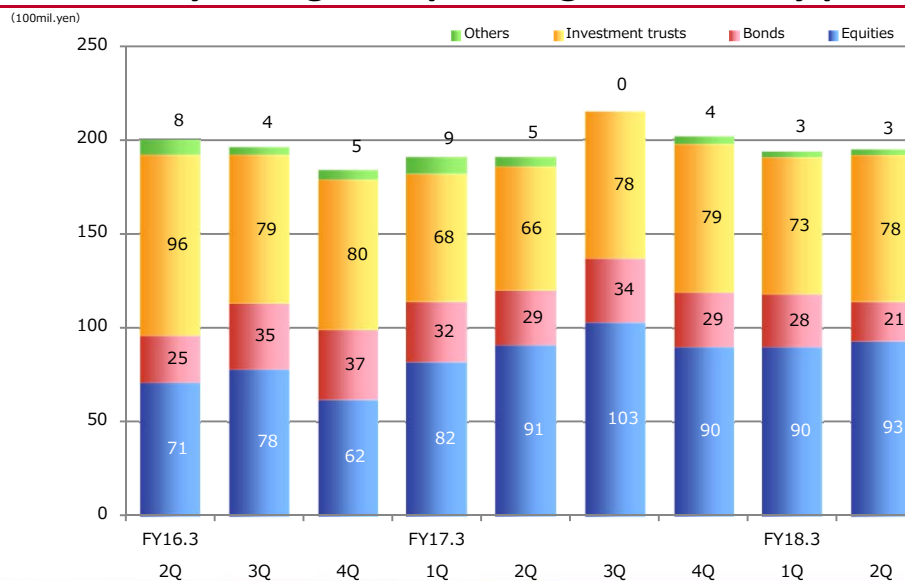
(In millions of yen)

	FY17.3				FY18.3		vs.FY18.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q
	11,630	10,328	12,670	12,443	12,027	<b>12,831</b>	<b>6.7%</b>
	4,468	3,260	4,392	4,007	4,386	<b>4,379</b>	<b>-0.2%</b>
	48	109	119	122	80	<b>316</b>	<b>295.0%</b>
	2,681	2,770	3,901	4,027	3,338	<b>3,877</b>	<b>16.1%</b>
	4,432	4,187	4,257	4,285	4,221	<b>4,257</b>	<b>0.9%</b>
	7,037	8,456	8,480	7,297	6,919	<b>6,248</b>	<b>-9.7%</b>
	3,656	5,652	5,726	4,651	4,371	<b>4,367</b>	<b>-0.1%</b>
	3,123	2,792	3,275	2,680	2,645	<b>1,974</b>	<b>-25.4%</b>
	257	12	-521	-34	-97	<b>-93</b>	<b>-</b>
	379	340	368	404	434	<b>436</b>	<b>0.5%</b>
	194	197	196	214	196	<b>217</b>	<b>10.7%</b>
	19,242	19,323	21,715	20,359	19,577	<b>19,734</b>	<b>0.8%</b>

## Quarterly change in operating revenues



## Quarterly change in operating revenues by product



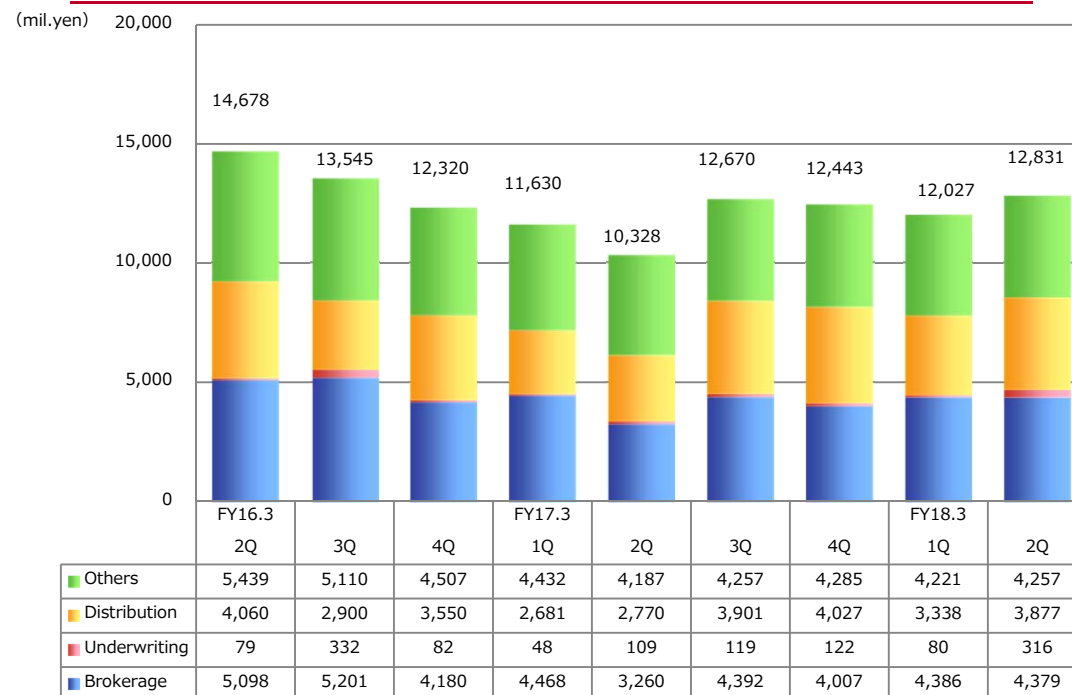
# Fees and Commissions Received

## Fees and commissions received

(In millions of yen)

	FY17.3 2QTOTAL	FY18.3 2QTOTAL	vs.FY17.3 2QTOTAL
<b>Brokerage</b>	7,729	<b>8,766</b>	<b>13.4%</b>
Equities	7,304	<b>8,607</b>	<b>17.8%</b>
Bonds	9	<b>1</b>	<b>-85.1%</b>
Others	415	<b>157</b>	<b>-62.1%</b>
<b>Underwriting</b>	158	<b>397</b>	<b>150.6%</b>
Equities	80	<b>346</b>	<b>328.8%</b>
Bonds	77	<b>50</b>	<b>-34.7%</b>
<b>Distribution</b>	5,451	<b>7,216</b>	<b>32.4%</b>
Beneficiary Certificates	5,367	<b>7,152</b>	<b>33.3%</b>
Others	8,619	<b>8,479</b>	<b>-1.6%</b>
Beneficiary Certificates	7,727	<b>7,865</b>	<b>1.8%</b>
<b>Total</b>	<b>21,959</b>	<b>24,859</b>	<b>13.2%</b>

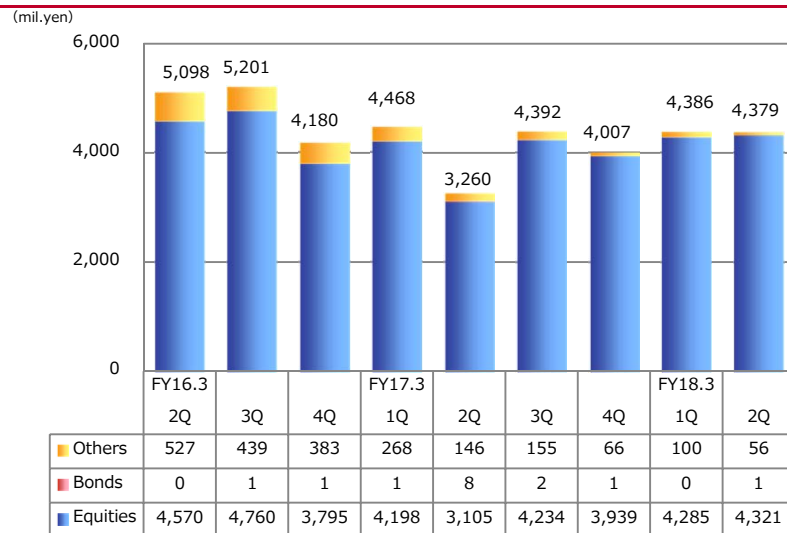
## Fees and commissions received (quarterly)



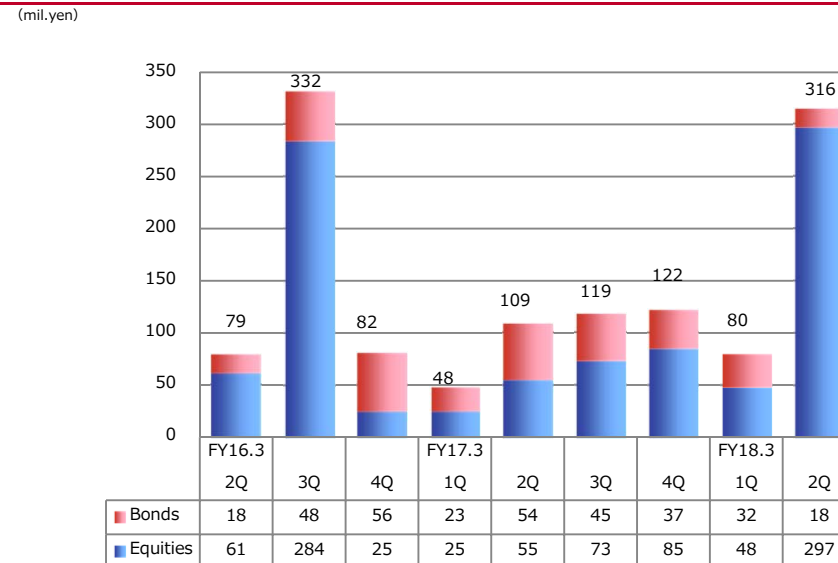
- **Brokerage commissions rose 13.4% YoY. Domestic equity brokerage commissions increased.**
- **Underwriting fees increased by approximately 250% due in part to some large-scale POs and having served as the lead managing underwriter on IPOs and POs.**
- **Distribution commissions rose 32.4% YoY due to higher sales of investment trusts.**
- **Other commissions fell 1.6% YoY due to a decrease in FX-related revenues and other revenues.**

# Fees and Commissions Received by Category

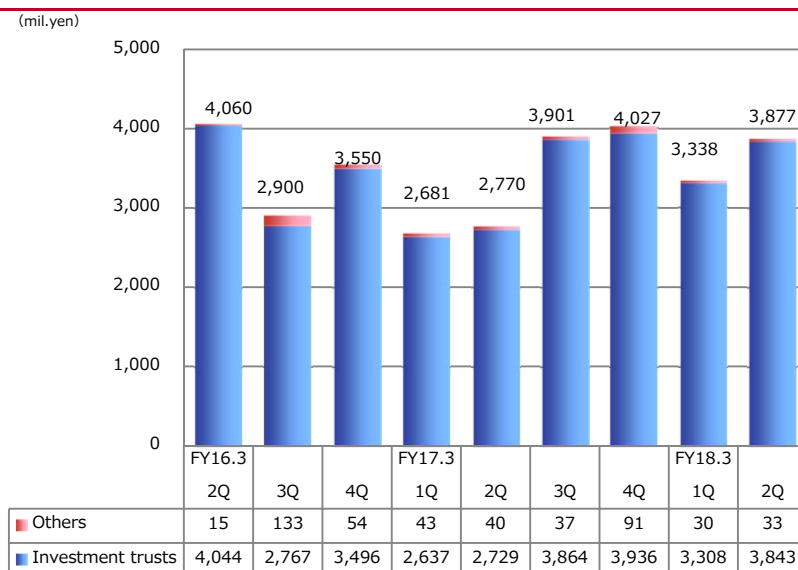
## Brokerage



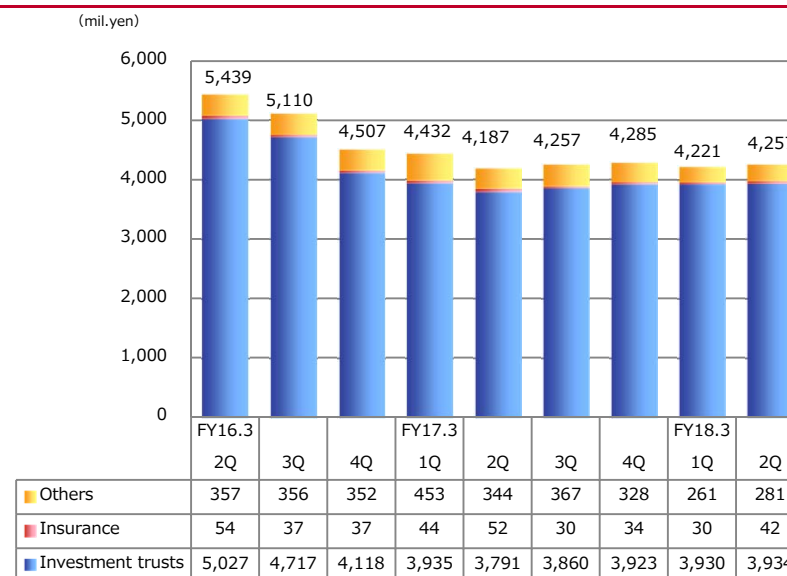
## Underwriting



## Distribution



## Others





# Net Trading Income

(In millions of yen)

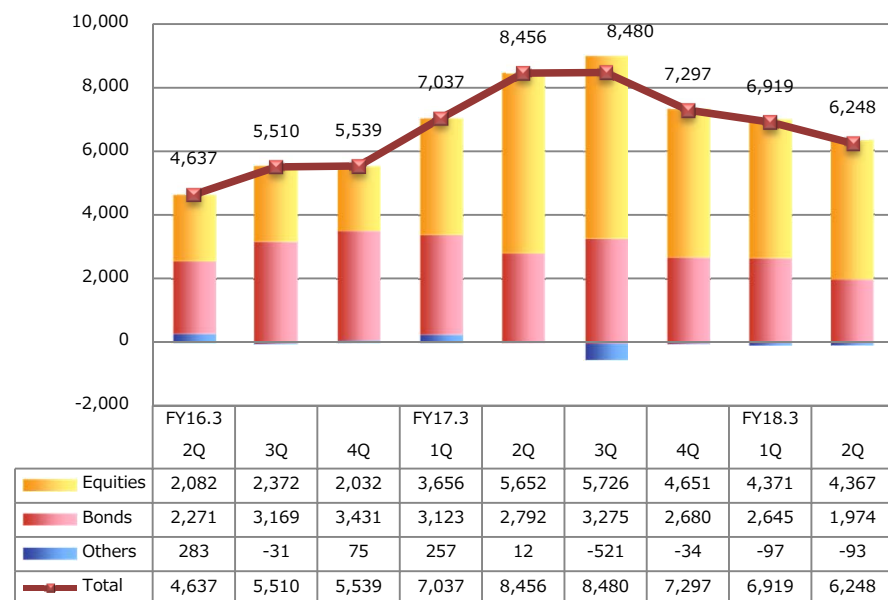
	FY17.3 2QTOTAL	FY18.3 2QTOTAL	vs.FY17.3 2QTOTAL
<b>Equities</b>	9,308	<b>8,739</b>	<b>-6.1%</b>
Domestic equities	393	<b>526</b>	<b>33.8%</b>
Foreign equities	8,915	<b>8,213</b>	<b>-7.9%</b>
<b>Bonds and others</b>	5,915	<b>4,619</b>	<b>-21.9%</b>
Domestic bonds	1,140	<b>229</b>	<b>-79.9%</b>
Foreign bonds	4,775	<b>4,390</b>	<b>-8.1%</b>
<b>Others</b>	270	<b>-191</b>	<b>-</b>
<b>Net gain on trading</b>	15,494	<b>13,167</b>	<b>-15.0%</b>

(In millions of yen)

	FY17.3				FY18.3		vs.FY18.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q
	3,656	5,652	5,726	4,651	4,371	<b>4,367</b>	<b>-0.1%</b>
	291	102	233	118	227	<b>298</b>	<b>31.3%</b>
	3,365	5,549	5,493	4,533	4,143	<b>4,069</b>	<b>-1.8%</b>
	3,123	2,792	3,275	2,680	2,645	<b>1,974</b>	<b>-25.4%</b>
	623	516	495	237	158	<b>70</b>	<b>-55.7%</b>
	2,499	2,275	2,780	2,442	2,486	<b>1,903</b>	<b>-23.5%</b>
	257	12	-521	-34	-97	<b>-93</b>	<b>-</b>
	7,037	8,456	8,480	7,297	6,919	<b>6,248</b>	<b>-9.7%</b>

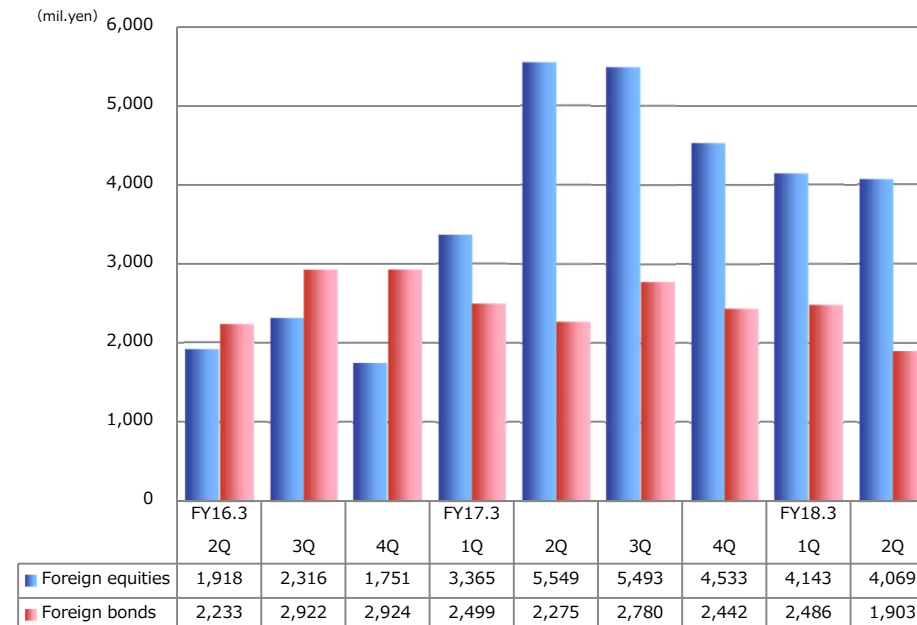
## Net gain by Products

(mil.yen)



## Net gain from foreign equities and bonds

(mil.yen)



# SG&A : Selling, General and Administrative Expenses

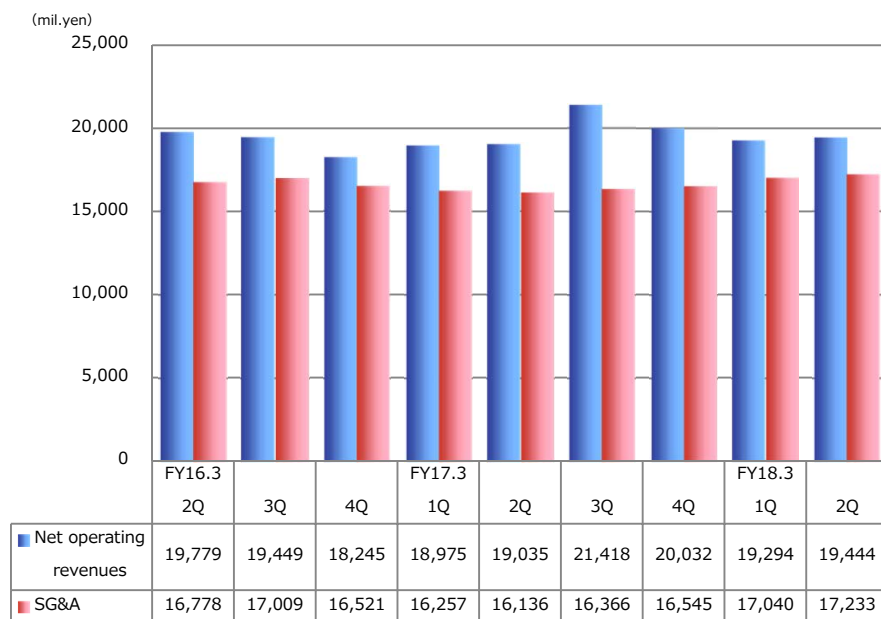
(In millions of yen)

	FY17.3	FY18.3	vs.FY17.3
	2QTOTAL	2QTOTAL	2QTOTAL
Trading related expenses	6,439	<b>6,403</b>	<b>-0.6%</b>
Personnel expenses	15,819	<b>16,523</b>	<b>4.5%</b>
Real estate expenses	3,336	<b>3,695</b>	<b>10.8%</b>
Office expenses	2,995	<b>3,396</b>	<b>13.4%</b>
Depreciation expenses	1,770	<b>2,008</b>	<b>13.4%</b>
Taxes and dues	595	<b>622</b>	<b>4.5%</b>
Others	1,436	<b>1,625</b>	<b>13.1%</b>
<b>SG&amp;A</b>	<b>32,393</b>	<b>34,274</b>	<b>5.8%</b>

(In millions of yen)

	FY17.3				FY18.3		vs.FY18.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q
	3,189	3,249	3,224	3,145	3,145	<b>3,257</b>	<b>3.6%</b>
	7,901	7,917	8,239	8,349	8,313	<b>8,210</b>	<b>-1.2%</b>
	1,706	1,629	1,684	1,773	1,816	<b>1,878</b>	<b>3.4%</b>
	1,485	1,509	1,353	1,424	1,633	<b>1,762</b>	<b>7.9%</b>
	881	889	875	858	964	<b>1,043</b>	<b>8.2%</b>
	303	292	298	302	286	<b>336</b>	<b>17.5%</b>
	788	648	691	691	881	<b>743</b>	<b>-15.7%</b>
	<b>16,257</b>	<b>16,136</b>	<b>16,366</b>	<b>16,545</b>	<b>17,040</b>	<b>17,233</b>	<b>1.1%</b>

## Change in net operating revenues and SG&A



- Trading-related expenses were down 0.6% YoY due to declines in variable expenses and other accounts related to the asset management business.
- Personnel expenses were up 4.5% YoY due to increased bonuses, etc.
- Real estate expenses rose 10.8% YoY due to rising rents and other costs.
- Office expenses increased 13.4% YoY, and Depreciation expenses were up 13.4% YoY. Both increases were due to a rise in system-related expenses and similar expenses.
- Other expenses were up 13.1% YoY due to increases in research expenses and other costs.

# Balance Sheet Summary (1)

(In millions of yen)

	FY17.3	FY18.3	vs.FY17.3
	4Q	2Q	4Q
<b>Current assets</b>	469,948	<b>537,467</b>	<b>67,519</b>
Cash and deposits	56,700	<b>63,130</b>	<b>6,430</b>
Cash segregated as deposits	65,396	<b>74,313</b>	<b>8,917</b>
Trading products	149,481	<b>189,480</b>	<b>39,999</b>
Receivables on margin transactions	40,260	<b>43,605</b>	<b>3,345</b>
Receivables on collateralized securities transactions	141,522	<b>152,527</b>	<b>11,005</b>
Other current assets	16,587	<b>14,410</b>	<b>-2,177</b>
<b>Fixed assets</b>	82,896	<b>79,777</b>	<b>-3,119</b>
Tangible fixed assets	19,340	<b>19,093</b>	<b>-247</b>
Intangible fixed assets	12,898	<b>8,087</b>	<b>-4,811</b>
Investments and other assets	50,657	<b>52,596</b>	<b>1,939</b>
<b>Total assets</b>	552,844	<b>617,244</b>	<b>64,400</b>

(In millions of yen)

	FY17.3				FY18.3			vs.FY18.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	
	447,376	394,102	406,594	469,948	425,969	<b>537,467</b>	<b>111,498</b>	
	58,144	57,070	53,676	56,700	58,491	<b>63,130</b>	<b>4,639</b>	
	56,890	61,891	66,156	65,396	68,146	<b>74,313</b>	<b>6,167</b>	
	153,621	114,302	133,725	149,481	151,815	<b>189,480</b>	<b>37,665</b>	
	38,901	35,062	38,793	40,260	39,247	<b>43,605</b>	<b>4,358</b>	
	125,694	114,661	103,547	141,522	98,384	<b>152,527</b>	<b>54,143</b>	
	14,124	11,114	10,694	16,587	9,883	<b>14,410</b>	<b>4,527</b>	
	74,261	78,727	83,836	82,896	88,536	<b>79,777</b>	<b>-8,759</b>	
	19,688	19,291	19,294	19,340	19,298	<b>19,093</b>	<b>-205</b>	
	10,186	10,351	12,142	12,898	13,174	<b>8,087</b>	<b>-5,087</b>	
	44,387	49,085	52,399	50,657	56,062	<b>52,596</b>	<b>-3,466</b>	
	521,637	472,830	490,430	552,844	514,505	<b>617,244</b>	<b>102,739</b>	

- **Total assets were 617.244 billion yen, up 64.4 billion yen from the end of the previous fiscal year. Net assets fell 2.1 billion yen to 176.137 billion yen over the same period.**
- **Current assets increased by 67.5 billion yen from the end of the previous fiscal year primarily due to an increase in Trading products. Fixed assets decreased by 3.1 billion yen over the same period due to a decrease in Intangible fixed assets. Total assets rose by 64.4 billion yen over the same period.**
- **Increases in Payables on collateralized securities transactions and Short-term borrowings, among other factors, drove Current liabilities up 63.6 billion yen from the end of the previous fiscal year. Fixed liabilities rose 3 billion yen over the same period. Total liabilities rose 66.5 billion yen over that period.**

## Balance Sheet Summary (2)

(In millions of yen)

	FY17.3	FY18.3	vs.FY17.3
	4Q	2Q	4Q
<b>Current liabilities</b>	345,362	409,002	63,640
Trading liabilities	138,307	124,677	-13,630
Payables on margin transactions	12,089	15,249	3,160
Payables on collateralized securities transactions	46,658	79,872	33,214
Deposits received	34,243	49,564	15,321
Guarantee deposits received	35,192	36,521	1,329
Short-term borrowings	69,070	95,158	26,088
Other current liabilities	9,801	7,958	-1,843
<b>Fixed liabilities</b>	27,892	30,943	3,051
Long-term borrowings	9,860	12,310	2,450
Net defined benefit liability	5,752	6,189	437
Other fixed liabilities	12,280	12,444	164
<b>Financial instruments transaction reserve</b>	1,333	1,161	-172
<b>Total liabilities</b>	374,588	441,107	66,519
Common stock	18,589	18,589	-
Capital surplus	16,422	16,420	-2
Retained earnings	112,282	108,728	-3,554
Treasury stock	-3,785	-3,745	40
Accumulated other comprehensive income	13,250	13,439	189
Subscription rights to shares	161	235	74
Minority interests	21,335	22,468	1,133
<b>Total net assets</b>	178,256	176,137	-2,119
<b>Total liabilities&amp;net assets</b>	552,844	617,244	64,400

(In millions of yen)

	FY17.3				FY18.3			vs.FY18.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	
	326,616	273,015	284,476	345,362	304,023	409,002	104,979	
	110,365	94,484	87,942	138,307	61,249	124,677	63,428	
	7,418	11,953	11,474	12,089	10,754	15,249	4,495	
	50,415	-	37,825	46,658	60,680	79,872	19,192	
	34,942	34,516	44,858	34,243	45,681	49,564	3,883	
	35,735	32,842	35,280	35,192	36,926	36,521	-405	
	56,588	76,566	45,985	69,070	42,418	95,158	52,740	
	31,150	22,651	21,109	9,801	46,314	7,958	-38,356	
	28,046	27,445	28,124	27,892	30,548	30,943	395	
	12,286	10,538	9,668	9,860	10,652	12,310	1,658	
	5,666	5,692	5,737	5,752	6,141	6,189	48	
	10,093	11,215	12,718	12,280	13,755	12,444	-1,311	
	1,329	1,329	1,330	1,333	1,160	1,161	1	
	355,992	301,790	313,930	374,588	335,732	441,107	105,375	
	18,589	18,589	18,589	18,589	18,589	18,589	-	
	13,100	13,157	16,422	16,422	16,420	16,420	-	
	104,673	106,583	109,785	112,282	108,703	108,728	25	
	-3,633	-3,637	-3,781	-3,785	-3,737	-3,745	-8	
	7,528	10,153	14,261	13,250	16,423	13,439	-2,984	
	78	161	161	161	146	235	89	
	25,307	26,032	21,061	21,335	22,226	22,468	242	
	165,645	171,040	176,500	178,256	178,772	176,137	-2,635	
	521,637	472,830	490,430	552,844	514,505	617,244	102,739	

# Assets under custody (Consolidated)

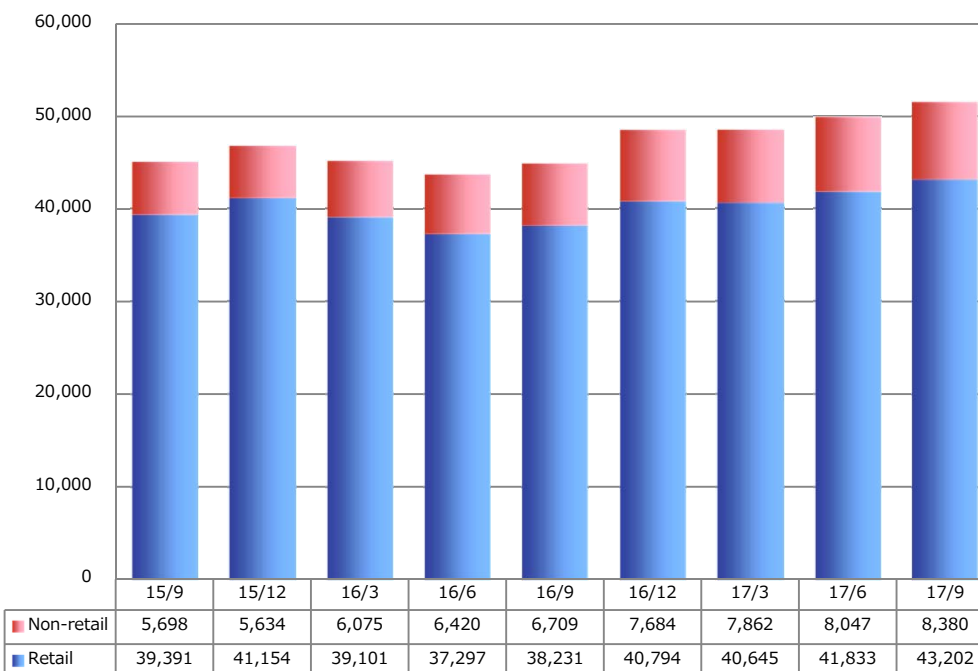
## Assets under Custody

(100mil.yen)



## Retail Assets under Custody

(100mil.yen)



- On a consolidated basis, customers' assets under custody increased to 5,158.2 billion yen, up 307.5 billion yen from the end of the previous fiscal year. An increase in stock prices and other factors boosted the market value of assets under custody.

# Group status

## Results by segment

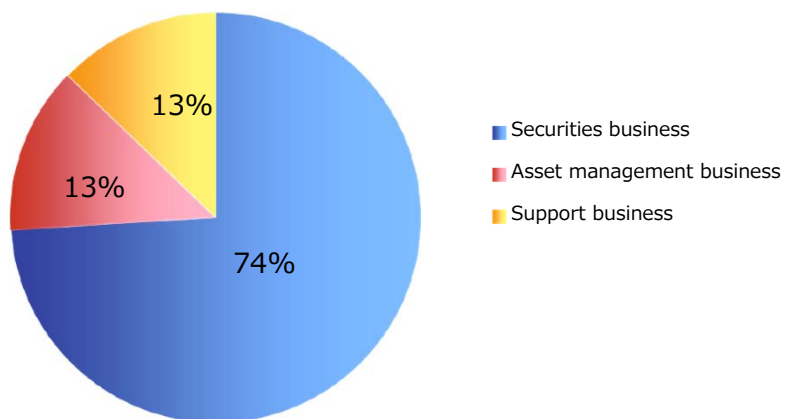
**Operating revenues** (In millions of yen)

	FY17.3 2QTOTAL	FY18.3 2QTOTAL	vs. FY17.3 2QTOTAL
Securities business	33,860	<b>34,803</b>	<b>2.8%</b>
Asset management business	6,380	<b>6,195</b>	<b>-2.9%</b>
Support business	5,982	<b>6,022</b>	<b>0.7%</b>

**Segment income** (In millions of yen)

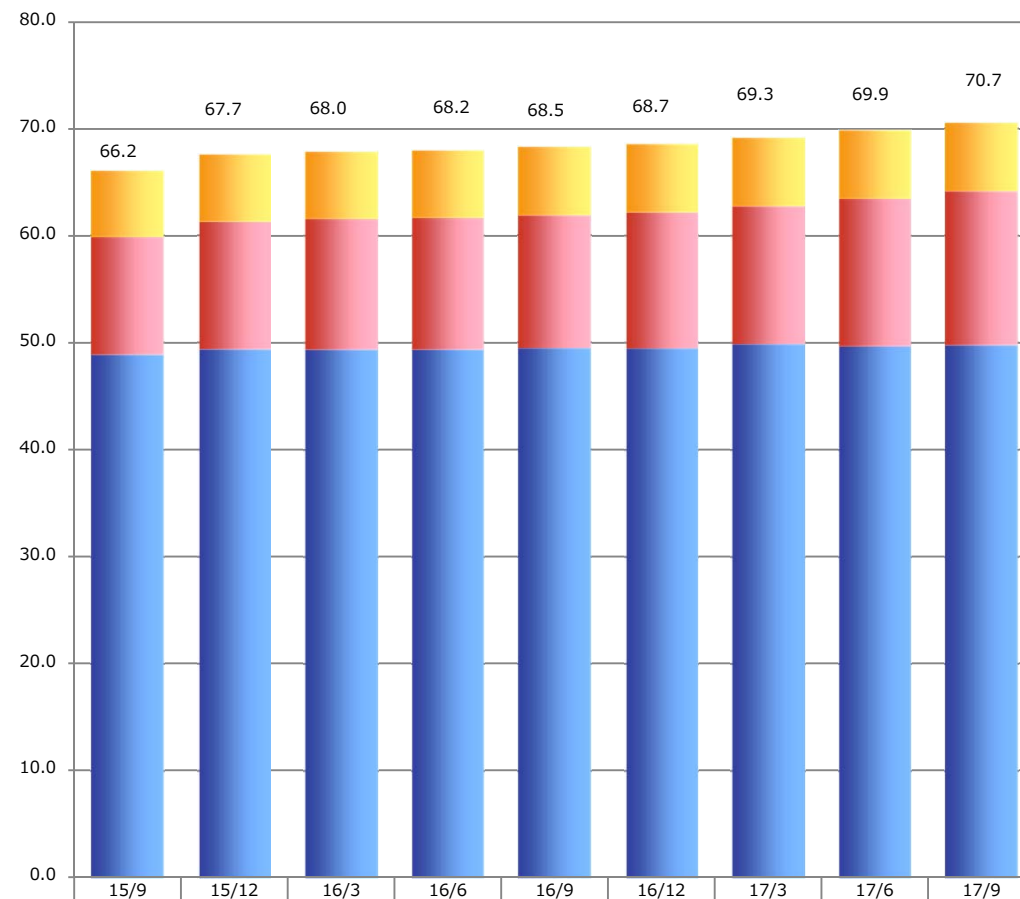
	FY17.3 2QTOTAL	FY18.3 2QTOTAL	vs. FY17.3 2QTOTAL
Securities business	4,842	<b>5,018</b>	<b>3.6%</b>
Asset management business	694	<b>657</b>	<b>-5.2%</b>
Support business	181	<b>-864</b>	<b>-</b>

### Operating revenues



## Number of accounts in the Group

(10,000 accounts)



Other	6.2	6.3	6.3	6.3	6.4	6.4	6.4	6.4	6.4
Okasan Online Securities	11.0	11.9	12.2	12.3	12.4	12.7	12.9	13.8	14.4
Okasan Securities	48.9	49.4	49.4	49.4	49.5	49.5	49.9	49.7	49.8

## *2 Reference Data*

## Performance by quarter (non-consolidated: Okasan Securities)

(In millions of yen)

項目	FY17.3	FY18.3	vs.FY17.3
	2QTOTAL	2QTOTAL	2QTOTAL
<b>Operating revenues</b>	<b>29,783</b>	<b>30,234</b>	<b>1.5%</b>
Commissions	14,237	16,890	18.6%
Brokerage	6,051	6,546	8.2%
Underwriting	158	396	150.2%
Distribution	4,889	6,685	36.7%
Others	3,136	3,262	4.0%
<b>Net gain on trading</b>	<b>15,044</b>	<b>12,703</b>	<b>-15.6%</b>
Equities	9,169	8,556	-6.7%
Bonds	5,604	4,338	-22.6%
Others	269	-191	-
Interest and dividend income	502	640	27.3%
Financial expenses	499	515	3.4%
<b>Net operating revenues</b>	<b>29,284</b>	<b>29,718</b>	<b>1.5%</b>
<b>SG&amp;A</b>	<b>24,105</b>	<b>24,694</b>	<b>2.4%</b>
Trading related expenses	3,877	3,960	2.1%
Personnel expenses	11,931	12,463	4.5%
Real estate expenses	3,331	3,470	4.2%
Administrative expenses	3,798	3,626	-4.5%
Depreciation expenses	268	250	-6.6%
Taxes and dues	373	364	-2.5%
Others	524	559	6.6%
<b>Operating income</b>	<b>5,179</b>	<b>5,023</b>	<b>-3.0%</b>
Non-operating income	254	133	-47.6%
Non-operating expenses	35	17	-51.3%
<b>Ordinary income</b>	<b>5,398</b>	<b>5,139</b>	<b>-4.8%</b>
Extraordinary gain	687	73	-89.3%
Extraordinary loss	-	-	-
<b>Net profit, before taxes</b>	<b>6,085</b>	<b>5,213</b>	<b>-14.3%</b>
Income taxes	1,895	1,430	-24.5%
Adjustment amount for income taxes	-140	239	-
<b>Net profit</b>	<b>4,330</b>	<b>3,543</b>	<b>-18.2%</b>

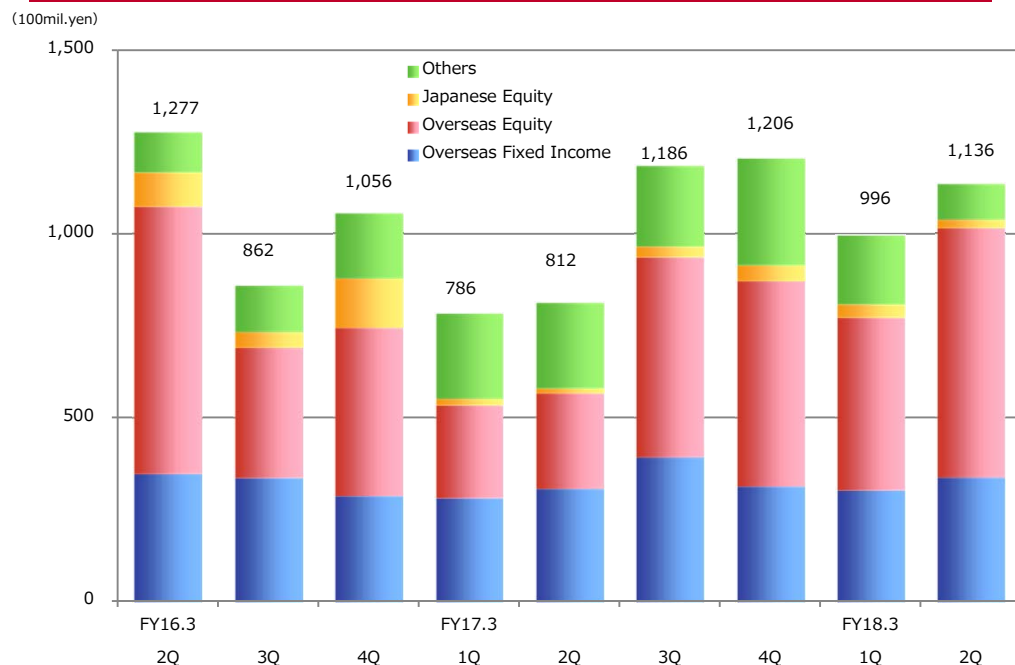
(In millions of yen)

	FY17.3				FY18.3		vs.FY18.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q
	<b>14,650</b>	<b>15,133</b>	<b>17,109</b>	<b>15,847</b>	<b>15,115</b>	<b>15,119</b>	<b>0.0%</b>
	7,565	6,671	8,637	8,506	8,140	8,750	7.5%
	3,514	2,537	3,360	3,067	3,371	3,174	-5.8%
	48	109	117	122	80	315	293.8%
	2,397	2,492	3,637	3,730	3,081	3,604	17.0%
	1,605	1,531	1,521	1,585	1,606	1,655	3.1%
	<b>6,818</b>	<b>8,225</b>	<b>8,217</b>	<b>7,056</b>	<b>6,646</b>	<b>6,057</b>	<b>-8.9%</b>
	3,576	5,593	5,634	4,589	4,260	4,296	0.8%
	2,984	2,619	3,104	2,501	2,484	1,854	-25.4%
	257	12	-521	-34	-97	-93	-
	265	236	255	285	328	311	-5.2%
	238	260	269	301	255	260	2.0%
	<b>14,411</b>	<b>14,873</b>	<b>16,840</b>	<b>15,546</b>	<b>14,859</b>	<b>14,858</b>	<b>0.0%</b>
	<b>12,111</b>	<b>11,994</b>	<b>12,349</b>	<b>12,343</b>	<b>12,389</b>	<b>12,305</b>	<b>-0.7%</b>
	1,893	1,984	2,029	1,972	1,955	2,004	2.5%
	5,950	5,980	6,255	6,289	6,261	6,201	-1.0%
	1,735	1,595	1,667	1,654	1,710	1,759	2.9%
	1,911	1,887	1,857	1,876	1,834	1,791	-2.3%
	133	134	137	139	122	127	4.1%
	177	196	202	198	172	191	11.0%
	309	215	199	212	330	228	-30.9%
	<b>2,300</b>	<b>2,878</b>	<b>4,490</b>	<b>3,203</b>	<b>2,470</b>	<b>2,553</b>	<b>3.4%</b>
	155	98	64	121	78	54	-30.8%
	33	1	15	16	5	12	140.0%
	<b>2,422</b>	<b>2,975</b>	<b>4,540</b>	<b>3,308</b>	<b>2,543</b>	<b>2,596</b>	<b>2.1%</b>
	687	-	18	-	73	-	-
	-	-	-	-	-	-	-
	<b>3,109</b>	<b>2,975</b>	<b>4,558</b>	<b>3,308</b>	<b>2,617</b>	<b>2,596</b>	<b>-0.8%</b>
	451	1,443	1,106	1,664	154	1,276	728.6%
	345	-485	346	-556	671	-431	-
	<b>2,312</b>	<b>2,018</b>	<b>3,105</b>	<b>2,200</b>	<b>1,792</b>	<b>1,751</b>	<b>-2.3%</b>

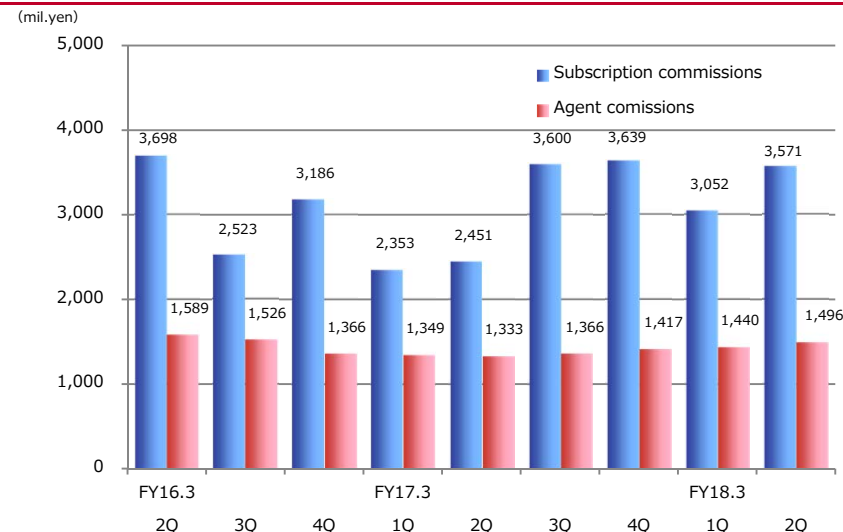


# Investment trusts / Foreign bonds(non-consolidated: Okasan Securities)

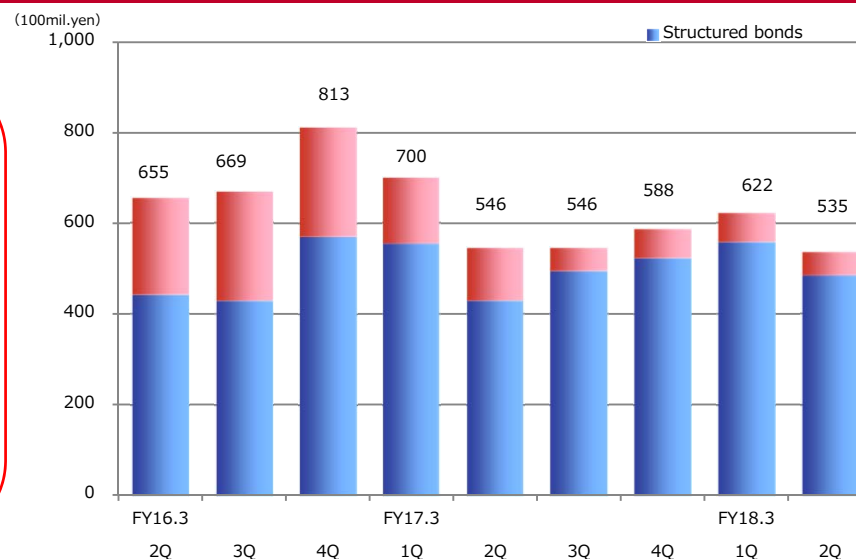
## Investment trusts sales amount



## Investment trusts commissions



## Foreign bonds sales amount



- Investment trust sales (2Q cumulative) rose 33.4% YoY to 213.3 billion yen.
- Sales commissions (2Q cumulative) rose 37.8% YoY to 6,623 million yen.  
Agent commissions (2Q cumulative) rose 9.5% YoY to 2,936 million yen.
- Foreign bond sales (2Q cumulative) fell 7.1% YoY to 115.8 billion yen due to decreases in sales of bonds to corporate investors and sales of bonds denominated in emerging-market currencies.

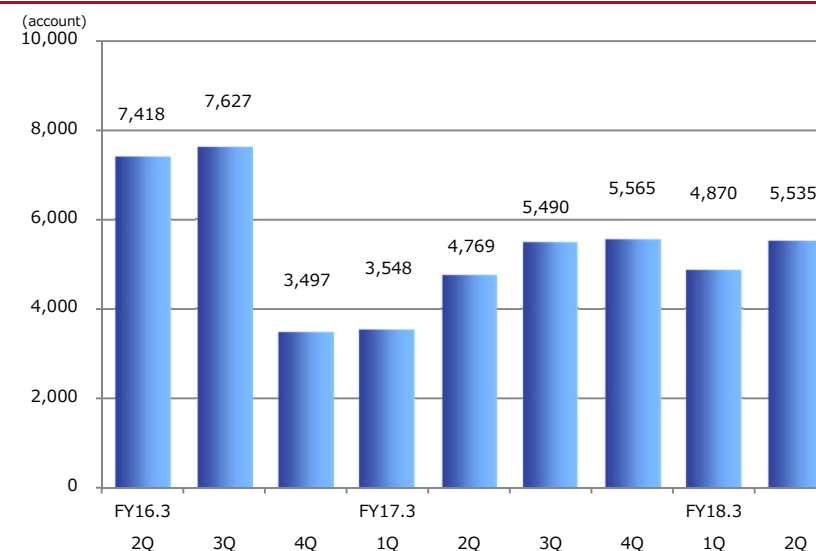
# Number of accounts (non-consolidated: Okasan Securities)

## Number of customer accounts

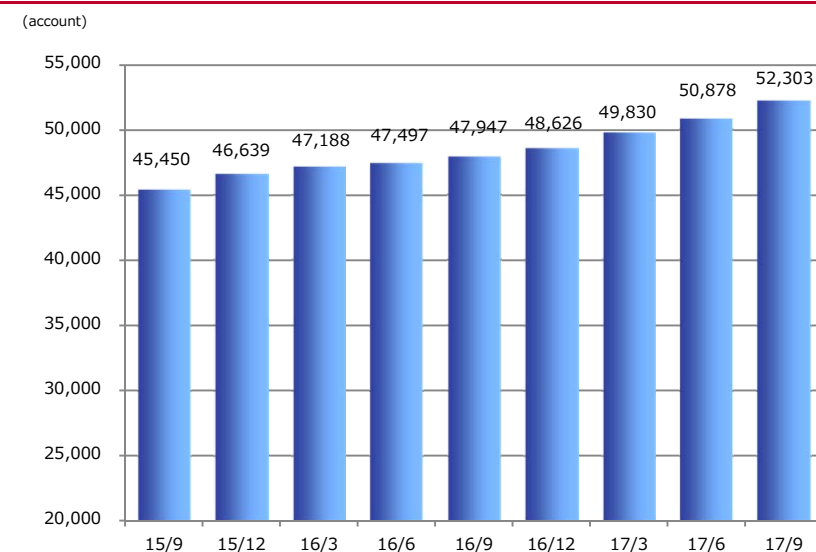


- The total number of customer accounts decreased slightly from the end of the previous fiscal year to 498,265.
- The number of accounts with remaining balances decreased slightly from the end of the previous fiscal year to 413,100.
- Online accounts (52,303 accounts) accounted for 10.5% of the total number of customer accounts.

## Number of new accounts



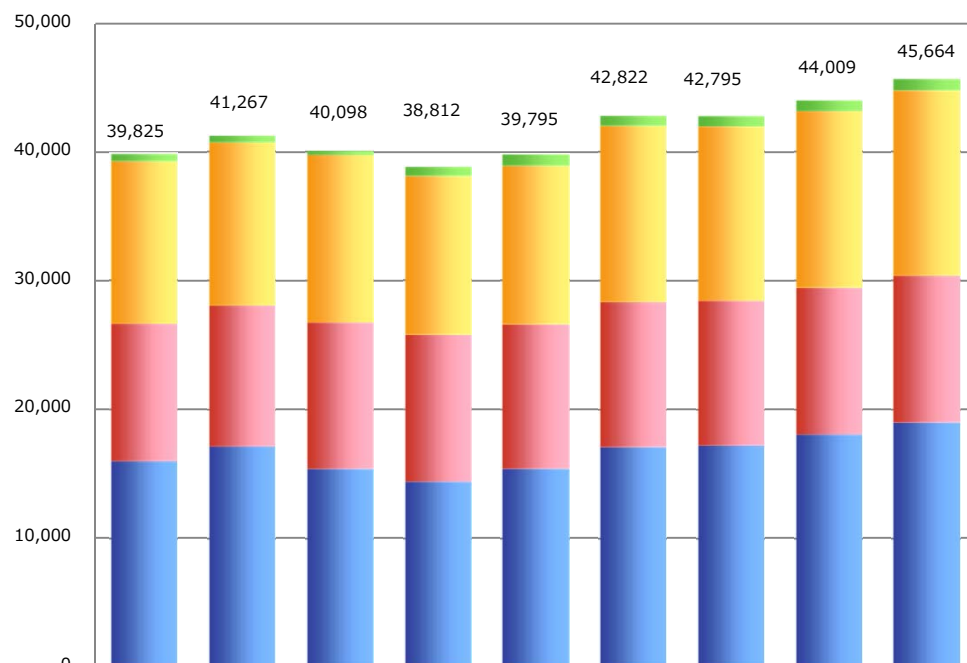
## Number of online accounts



# Assets under custody / Net inflow of assets (non-consolidated: Okasan Securities)

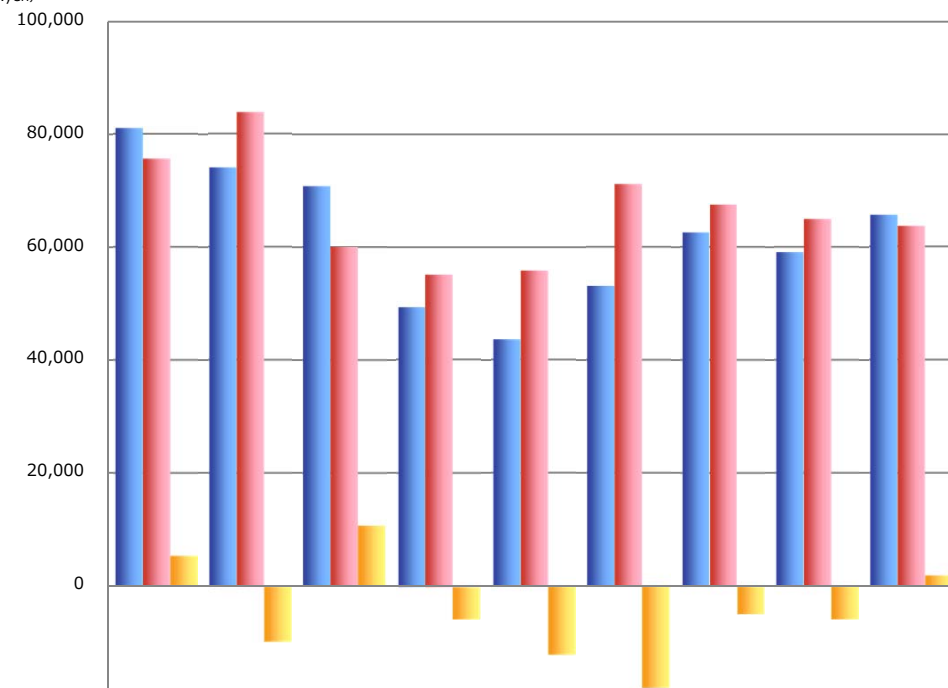
## Assets under Custody

(100mil.yen)



## Net inflow of assets (Individuals)

(mil.yen)



(20,000)

	FY16.3	3Q	4Q	FY17.3	2Q	3Q	4Q	FY18.3	1Q	2Q
Inflow	81,134	74,141	70,890	49,305	43,686	53,192	62,652	59,165	65,711	
Outflow	75,728	83,934	60,144	55,039	55,820	71,239	67,571	65,050	63,751	
Net Inflow	5,405	-9,792	10,745	-5,734	-12,134	-18,046	-4,919	-5,885	1,959	

- Customers' assets under custody at Okasan Securities increased 286.9 billion yen from the end of the previous fiscal year to 4,566.4 billion yen.
- Net inflow/outflow of assets (sum of inflow/outflow of cash and securities; individuals only) cumulative through 2Q in this fiscal year was an outflow of 3.926 billion yen.

# Capital Adequacy Requirement Ratio (non-consolidated: Okasan Securities)

(In millions of yen)

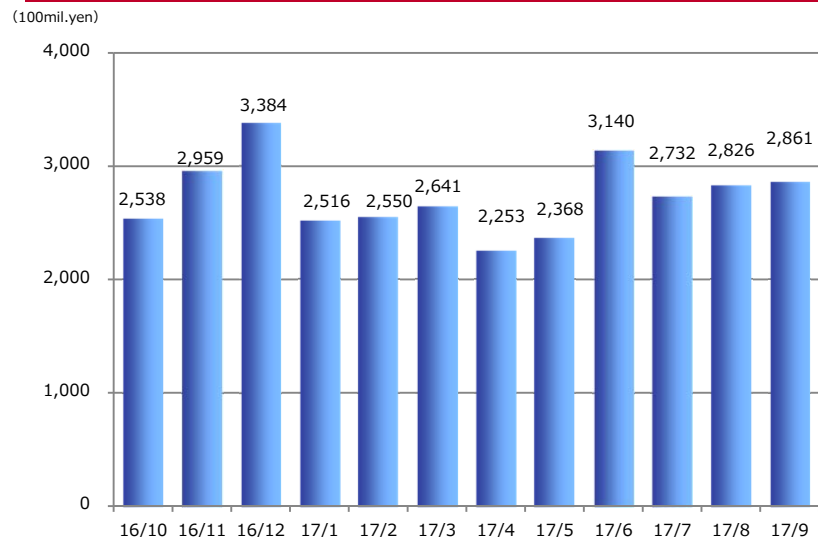
項	目	FY17.3				FY18.3		vs.FY17.3	
		1Q	2Q	3Q	4Q	1Q	2Q	4Q	
Basic items	(A)	80,644	82,670	85,777	78,977	80,769	82,521	3,544	
Complementary items	Appraisal gains (losses) etc.	–	–	17	19	20	19	0	
	Security transaction responsibility reserve	800	800	800	800	727	727	-73	
	General provision for loan losses	6	6	4	4	4	5	1	
	Short-term subordinated debt	6,000	6,000	6,000	6,000	6,000	6,000	–	
Total	(B)	6,806	6,806	6,822	6,824	6,751	6,752	-72	
Assets to be deducted	(C)	10,448	10,629	10,591	10,668	10,865	10,897	229	
Unfixed equity capital	(A) + (B) – (C)	(D)	77,001	78,847	82,008	75,134	76,656	78,375	3,241
Risk equivalents	Market risk equivalents	3,150	1,454	2,248	1,646	2,776	3,151	1,505	
	Customer risk equivalents	999	925	1,060	1,143	1,009	1,127	-16	
	Basic risk equivalents	12,373	12,240	12,163	12,081	12,210	12,303	222	
	Total	(E)	16,524	14,620	15,472	14,871	15,996	16,583	1,712
<b>Capital adequacy ratio</b>	<b>(D) / (E) × 100 (%)</b>	<b>465.9%</b>	<b>539.2%</b>	<b>530.0%</b>	<b>505.2%</b>	<b>479.2%</b>	<b>472.6%</b>	<b>-32.6 p</b>	

(Note) Short-term subordinated debt consists of subordinated borrowing.

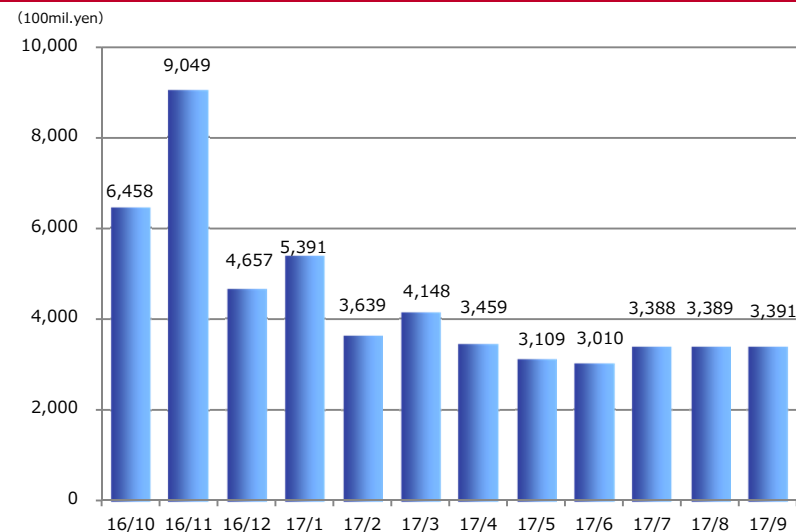
- The capital adequacy ratio decreased 32.6 percentage points from the end of the previous fiscal year to 472.6%.
- The capital adequacy ratio decreased due to increased market risk equivalents and other factors.

# (Reference Data) Okasan Online Securities Data

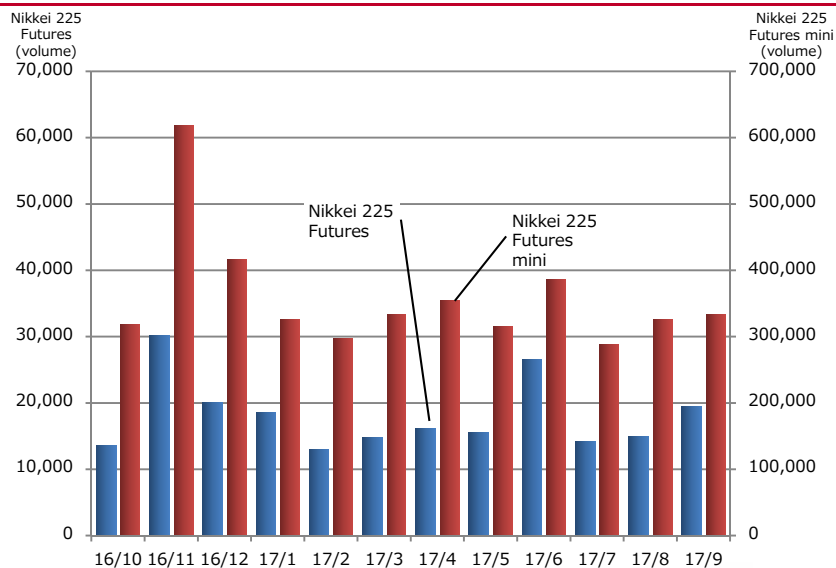
## Domestic sales amount of equities by month



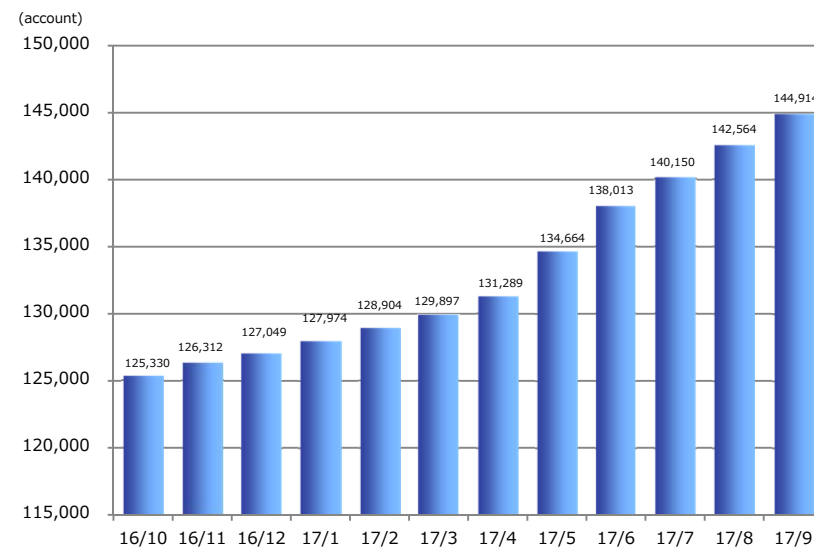
## "Click 365" contract amount



## Nikkei 225 Futures & Nikkei 225 Futures mini



## Number of customer accounts



# (Reference Data) Okasan Asset Management Data

## Assets managed and number of sales companies



- Okasan Asset Management's balance of investment trusts managed rose 4.6 billion yen from the end of the previous fiscal year to 1,679.5 billion yen.

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